

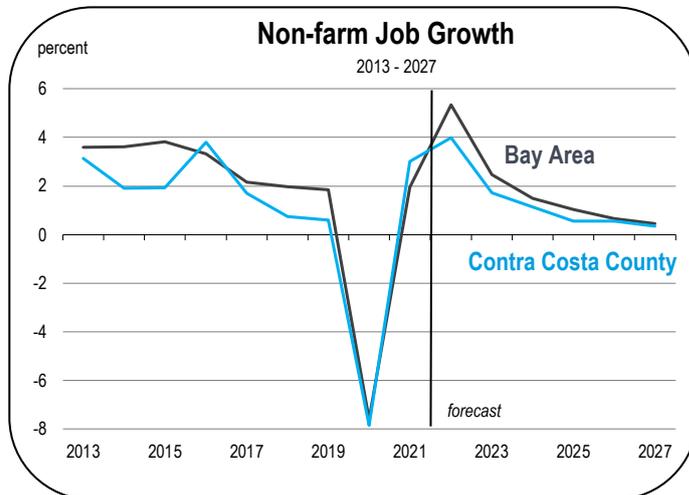
Contra Costa County Economic Forecast

Forecast Summary

- Just over 14,000 wage and salary jobs will be restored in Contra Costa County during 2022.
- A full labor market recovery from the 2020 pandemic recession is expected by mid-2023.
- Employment gains in 2022 will be largest in leisure services, healthcare, manufacturing and retail trade.
- The unemployment rate averaged 6.4 percent in 2021. It is expected to average 3.2 percent in 2022 and 3.4 percent in 2023.
- Oil refinery activity which has been a principal employer and engine of growth for the county, will continue to consolidate over time. However, two refineries - Phillips Rodeo and Marathon Martinez - have announced plans to convert to renewable fuels through the use of existing refinery processing units.
- The Contra Costa County population is expected to grow more quickly than the Bay Area average during the forecast period.
- More homes will be built over the forecast period than were built during the previous five years.
- Selling values for homes surged in 2021, rising by 14 percent. Prices are expected to rise just 1 to 2 percent in 2022 and correct downward in 2023.

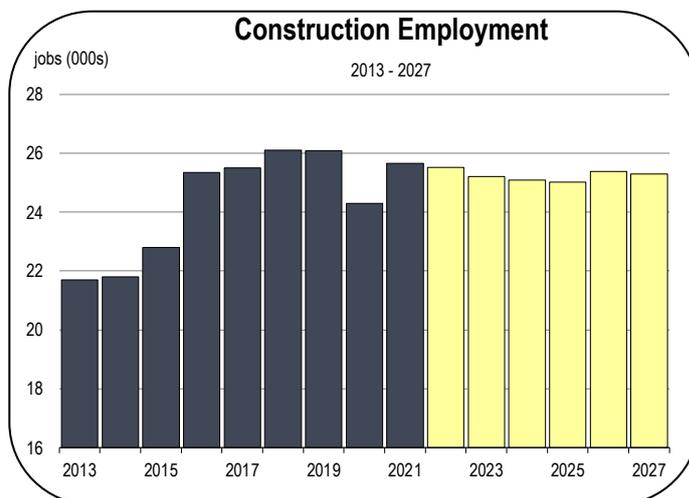
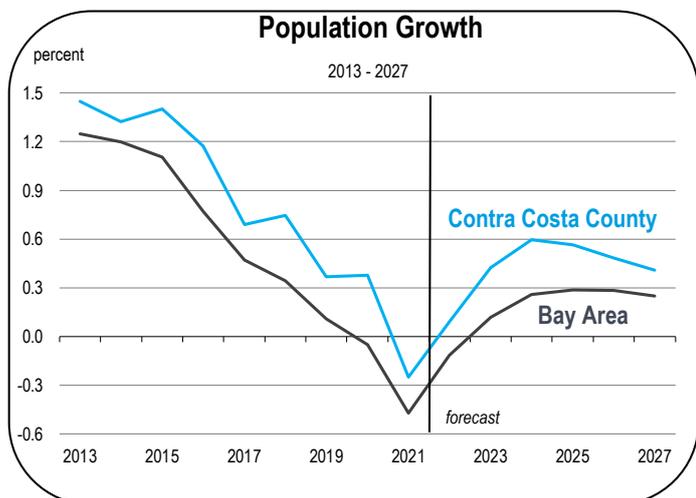
Job Growth

- Total employment in Contra Costa County will expand by 4.1 percent in 2022 and 1.7 percent in 2023.
- Over the entire forecast period, job growth in Contra Costa County will mirror the Bay Area average.

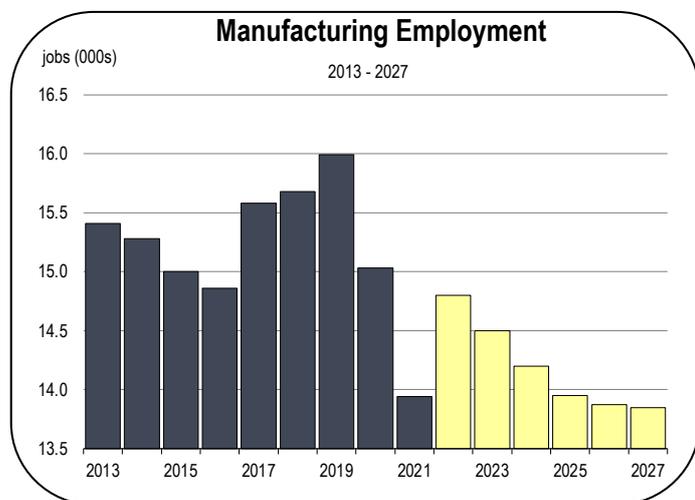


Construction Employment

- The Coronavirus Recession had a meaningful impact on the construction industry within the Bay Area region, with construction employment in Contra Costa County declining by 6.8 percent.
- Construction rebounded sharply in 2021, rising 5.6 percent. Employment will rise another 1.0 percent in 2022.
- Current construction employment levels are expected to remain supported by a project development pipeline that includes more than 25,000 residential units, infrastructure projects, warehouse fulfillment projects, and refinery conversion projects.
- No principal increase in construction employment is forecast because historically, growth of both residential units and non-residential structures has been measured. A more aggressive home permitting posture by city councils would result in a higher level of construction worker demand over the next 5 years.



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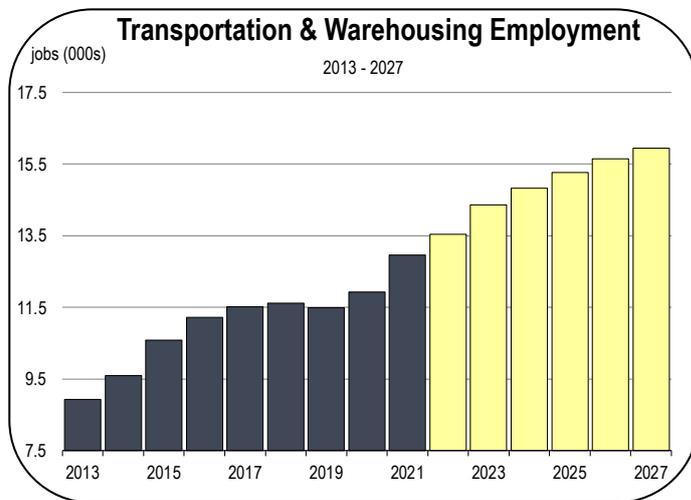


Manufacturing Employment

- The principal manufacturing activity in Contra Costa is oil refining. There are 4 refineries in the County, located in Richmond, Martinez, Pacheco, and Rodeo. The largest is the Chevron Richmond Refinery with 1,300 workers, the largest employer in the city of Richmond.
- Employment numbers at refineries has been shrinking over time, in tandem with output. This has occurred because production of crude oil in California has been in a long steady decline for the last 20 years.
- The Marathon Martinez Refinery closed refining operations in mid-2020 and the plant has been used as an oil storage facility. Last year, Marathon announced that plant would convert to a renewable fuels facility. That conversion is ongoing today.
- Total manufacturing employment declined 7.3 percent in 2021 but is on pace to rebound 6.2 percent in 2022.
- Over the forecast, due to conversions and consolidations in oil refining, total employment will gradually contract.

Transportation and Warehousing Employment

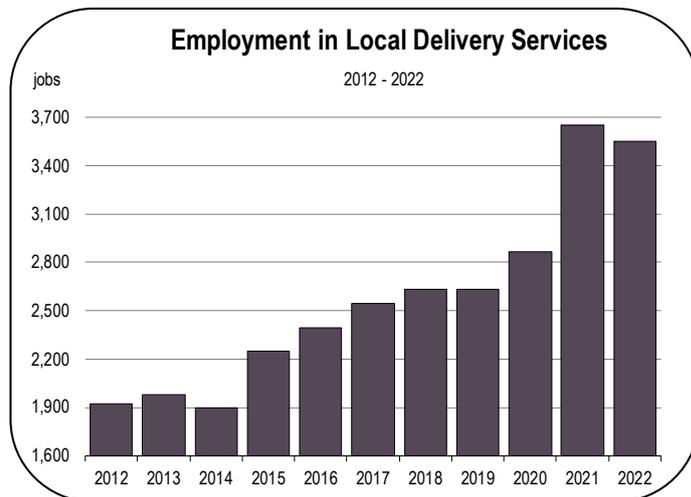
- Most transportation jobs in Contra Costa County are in trucking and warehousing, where firms deliver goods to and from the Port of Oakland, and store these goods in logistics facilities.
- A high share of Contra Costa County transportation jobs are in delivery firms like UPS and FedEx and at ground transportation organizations like BART, which is one of the largest employers in the county.



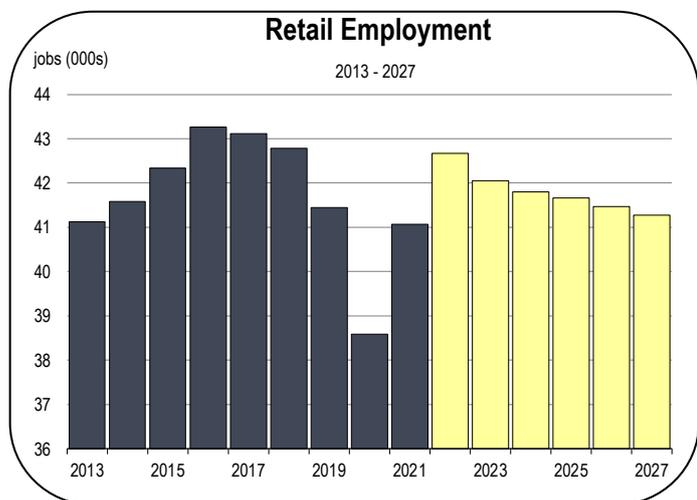
- BART continues to expand. Recently, it completed a 10-mile addition from the Pittsburg/Bay Point Station to Antioch, adding two new stations. The extension uses a different type of train called Diesel Multiple Units. They run in the median of State Route 4.
- Cargo movements through the Port of Oakland represent a significant driver of transportation and warehousing activity throughout the East Bay.
- The total annual outbound and inbound container volume at the Port remains high, supporting rising employment levels directly and indirectly throughout the East Bay Area. No diminution in port activity or employment is expected over the forecast.

Retail Trade Employment

- The retail sector rebounded with an additional 2,500 jobs in 2021, increasing employment by 6.4 percent.
- Gains were largest at car dealers, clothing stores, and big box department stores.



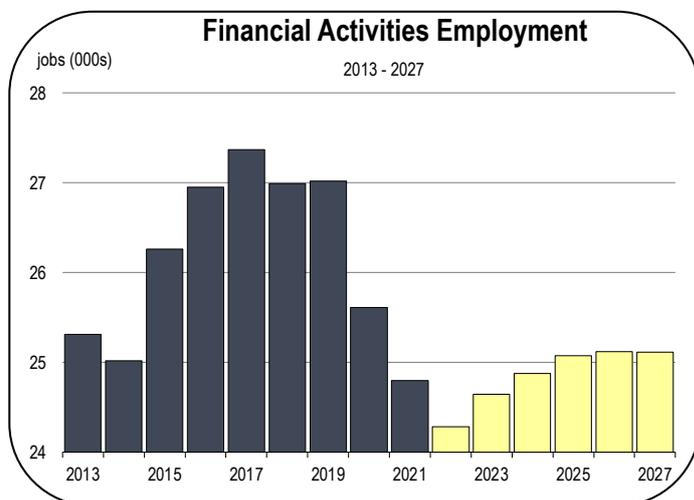
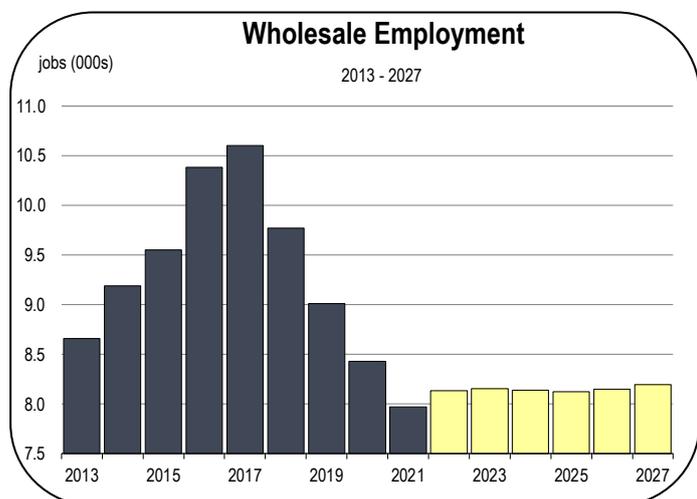
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- Grocery store employment expanded during 2021. So did employment at home improvement stores.
- Retail employment will expand in 2022, by an estimated 1,800 jobs, but the surge in job creation is only temporary because automation and the transition to online shopping will result in fewer workers needed at physical establishments between 2023 and 2027.

Wholesale Trade Employment

- Wholesale trade employment contracted by 5.5 percent in 2021.
- A minor rebound in wholesale trade employment is forecast in 2022 but due to automation and the consolidation of distribution activities with warehousing and fulfillment centers, direct wholesale brokerage employment opportunities will be limited going forward.



Financial Activities Employment

- Financial activities employment was impacted substantially by the recession and restricted business conditions.
- In 2021, employment contracted by 3.2 percent, a loss of 800 jobs. Losses were largest at banks, real estate firms, and car rental agencies.
- A rebound of 400 jobs is expected in 2022, with growth concentrated in the real estate services sector.

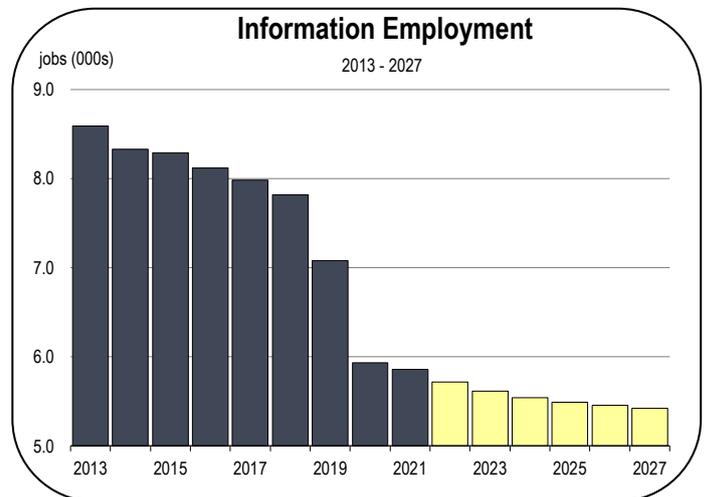
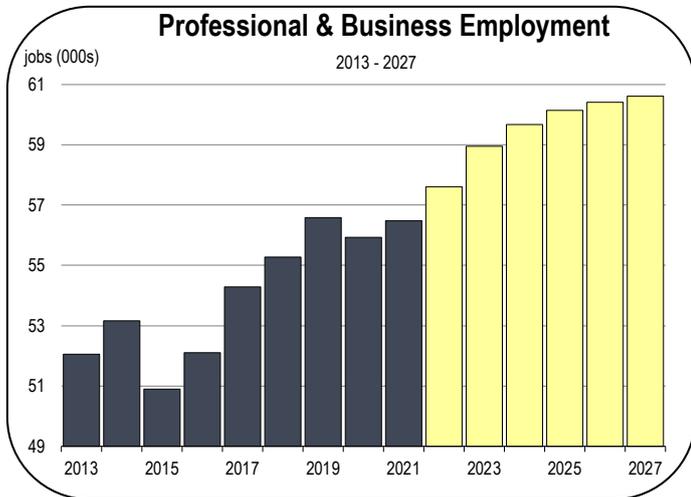
Professional and Business Services Employment

- Within the professional and business services industry is a large scientific and technical services community that accounts for a third of all jobs. Other professional jobs including legal, architecture, and management account for nearly another third of all employment.
- The professional and business services industry grew by 1 percent in 2021, adding 500 jobs. Another 1,000 jobs are expected to be added in 2022.
- Over the long term, growth is expected to be strongest in engineering and technology consulting.

Information Employment

- In Contra Costa County, the information sector is dominated by telecommunications companies like Comcast.

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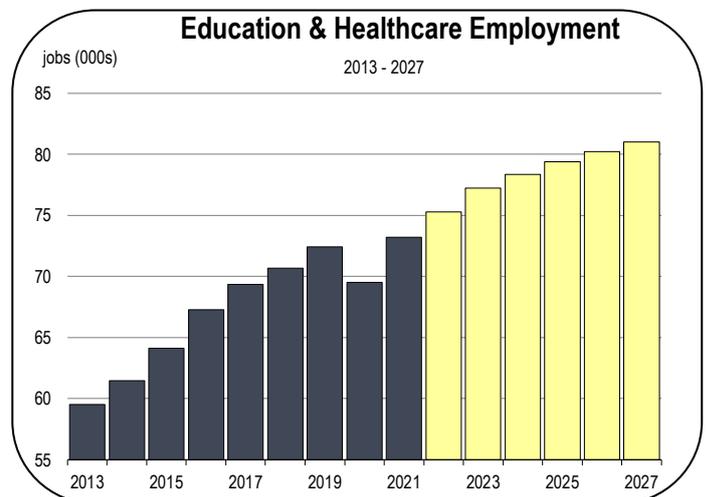
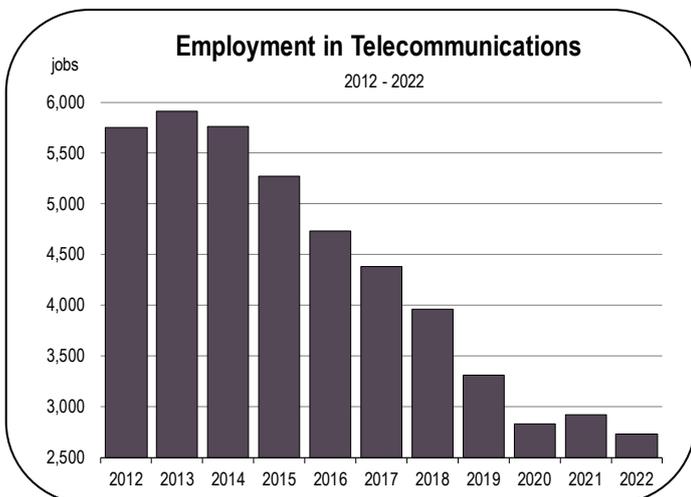


- Firms in the Information sector reduced worker headcounts by an estimated 70 positions in 2021, a slight contraction of 1.2 percent. Consolidation within the industry is part of a long-term trend, not materially influenced by the Coronavirus Recession.
- Over the forecast period, the telecommunications sector will continue to reduce staffing levels. Positions will also be eliminated at newspapers and movie theaters.
- Employment gains in software and Internet/data services will help to offset declines in other subsectors.

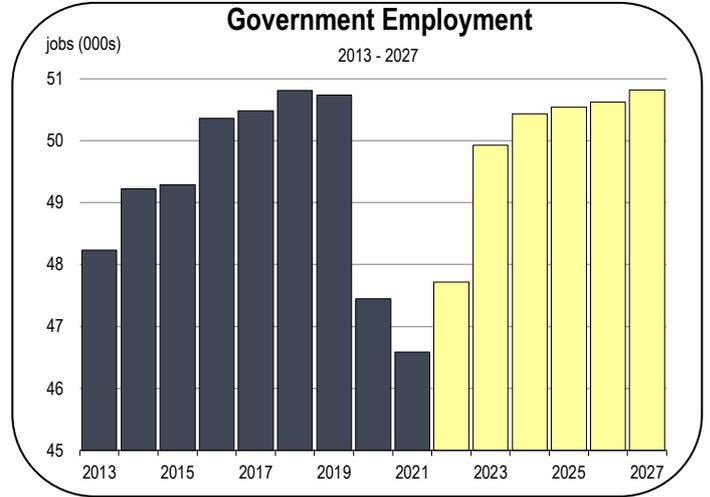
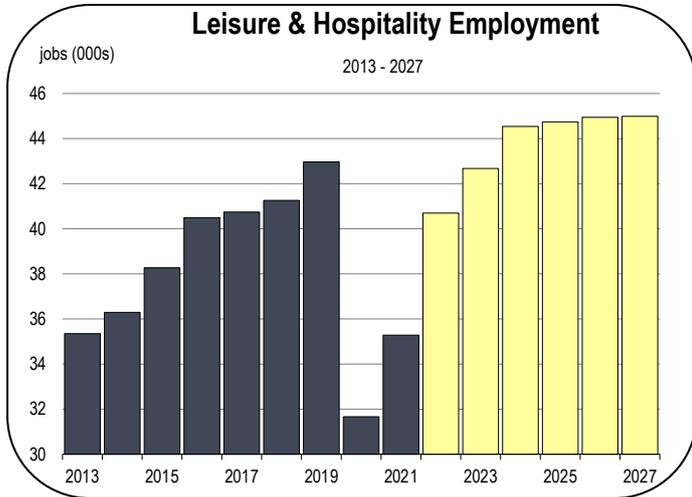
- Employment at doctor offices, dentist offices, and private schools increased modestly in 2021 because positions in demand remained unfilled. More job openings are now becoming filled, and the pace of job creation will approach an increase of 2,500 positions in 2022.
- Kaiser Permanente located in Martinez, Antioch, and Walnut Creek is the largest healthcare provider in the county.
- Other large employers include San Ramon Regional Medical Center, John Muir Medical Centers in Concord and Walnut Creek, and Sutter Delta Medical Center in Antioch.
- Healthcare represents the second largest contributor to Contra Costa County employment from 2022 to 2027. The forecast calls for 8,000 new jobs during that time. Leisure and hospitality will edge out healthcare with 9,700 jobs over this time period, most of those jobs occurring in 2022 and representing a restoration of pandemic-impacted employment.

Private Education and Healthcare Employment

- Employment in the private healthcare and education industries rebounded by 5.3 percent in 2021, an increase of 3,600 jobs.



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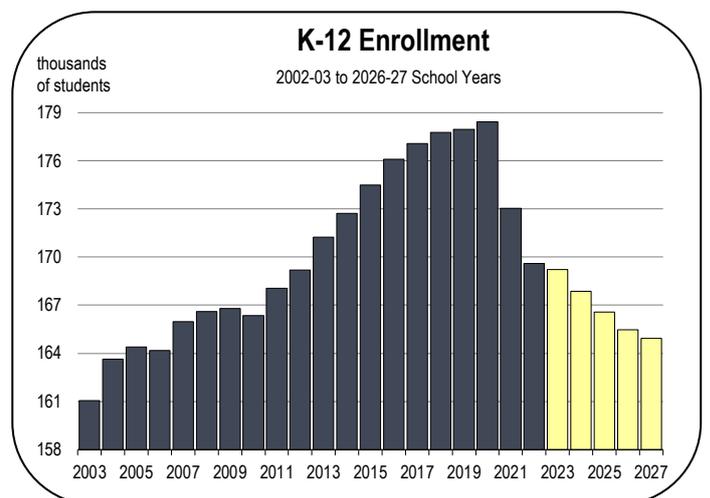
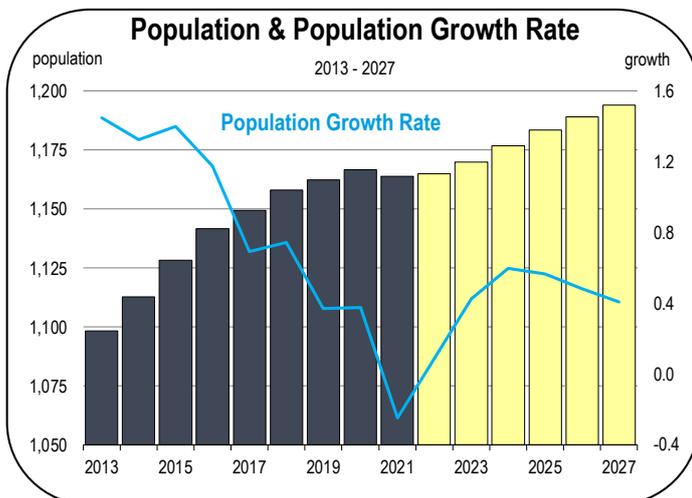


Leisure and Hospitality Employment

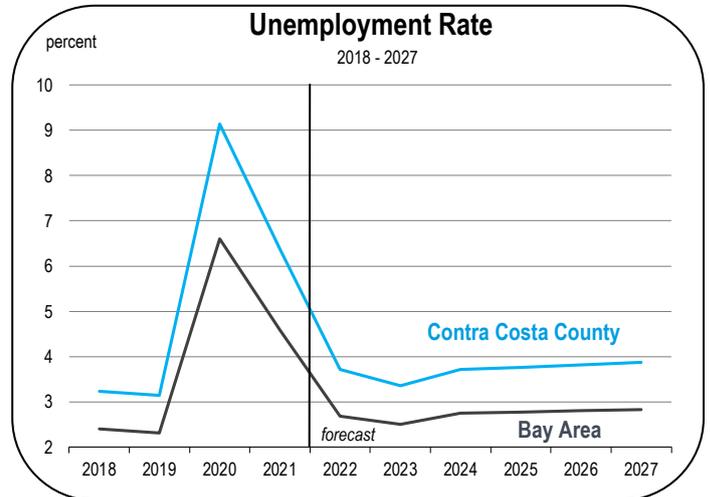
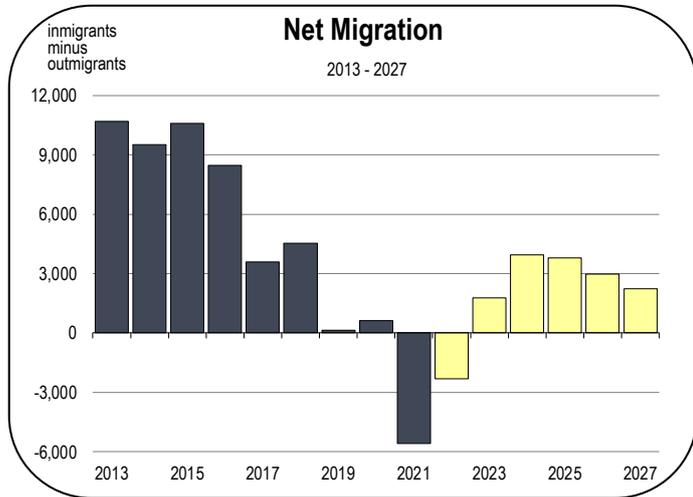
- Leisure and hospitality firms increased employment by 11 percent in 2021, adding 3,600 jobs.
- The restaurant subsector added the most jobs, and accommodation services added the second most. No subsector contracted in employment.
- Leisure and hospitality employment could rebound sharply in the second half of 2022 due to a surge in dining and recreation throughout Contra Costa County.
- The leisure and hospitality sector is expected to regain 5,000 jobs in 2022, or 15 percent, and another 2,000 jobs in 2023, eclipsing pre-pandemic levels of employment.

Government Employment

- State and local government agencies experienced a consolidation of 800 positions during 2021, representing a decline in total headcount of 1.8 percent.
- Due in large part to early retirements and the closures of schools, local public sector employment experienced the largest declines during 2021.
- Public sector employment is expected to slowly recover jobs over the forecast period. K-12 student enrollments are in decline and will not recover over the forecast, but rising post-secondary school demand may offset pressures to reduce employment within primary and high schools.



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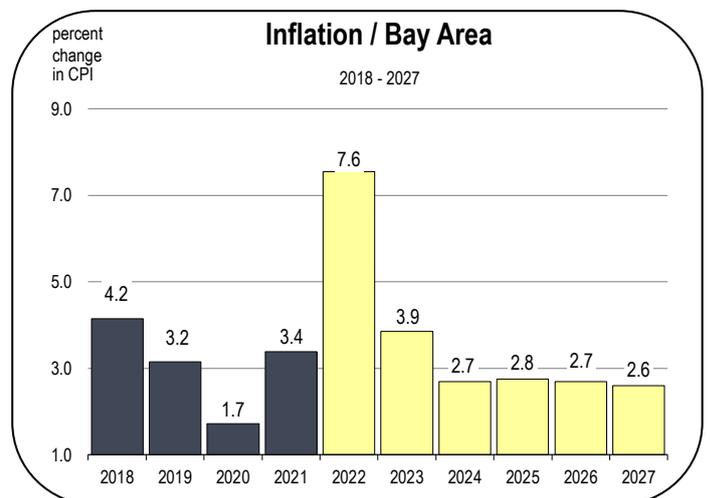
Population Growth

- Approximately 6,000 net migrants left Contra Costa County in 2021.
- The number of people moving out of Contra Costa County did not change substantially in 2021, but far fewer residents moved into the county.
- The Contra Costa County population is expected to expand at an annual rate of 0.4 percent between 2022 and 2027, which is slightly faster than the Bay Area average but still relatively slow.
- The county is expected to gain residents through net in-migration after 2023 due to a more aggressive effort to build housing in the county.
- Over the long term, it is likely that net migration will turn positive because homes in Contra Costa County are more affordable than San Francisco, San Mateo and Santa Clara Counties, and more housing projects have been approved in the cities of Concord and Antioch that will be under development after 2023.

Unemployment and Inflation Rates

- The unemployment rate in Contra Costa County averaged 6.4 percent in 2021, which was above the composite rate for the Bay Area.
- The unemployment rate is expected to average 3.7 percent in 2022 and 3.4 percent in 2023.
- During the forecast period, Contra Costa County will continue to have an unemployment rate that is higher than the Bay Area average, but lower than the California average.

- Inflation soared in 2021 and is expected to remain elevated in 2022 and 2023.
- During 2022 and into 2023, there will be a number of factors that will contribute to higher-than-normal inflation. The most prominent will be:
 - Spending by consumers and the federal government that was especially prolific in 2021 and 2022
 - Global supply chain interruptions (from the pandemic) that have raised the cost of production for many businesses
 - Sharp increases in the cost of housing and energy
 - Labor market recruitment challenges that have led to surging wage increases

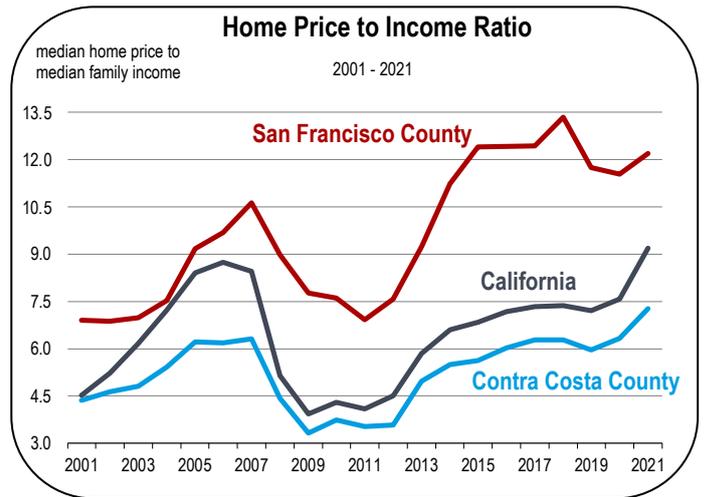


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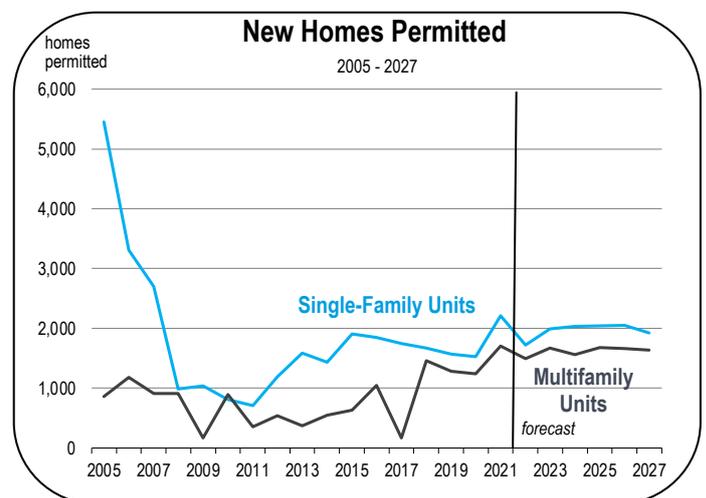
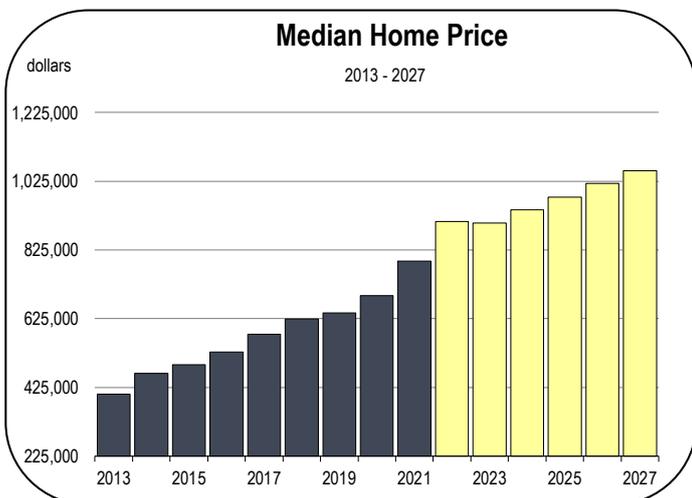
- Combined, these factors have pushed 2022 inflation to its highest rate in 40 years. Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2022 and 2023.
- However, inflation will gradually decelerate in 2023 as supply chains are restored, and the impending economic slowdown moderates the demand for labor and wage increases. Average inflation rates eventually decline to 3 percent again by 2024.

Home Prices and New Housing Production

- In 2021 the median selling price of sold homes in Contra Costa County was \$766,000, an increase of 14.3 percent from the previous year. For detached single family homes, the median price was \$902,500. During the first 10 months of 2022, the median price for detached single family homes was \$920,000.
- The median price is forecast to rise by 1 to 2 percent in 2022 based on actual price movements during the first half of 2022.
- Housing price appreciation is forecast to turn slightly negative in 2023 as demand softens due to mortgage rates rising to 6.5 percent
- In Contra Costa County, the typical household spends less than 35 percent of its income on mortgage payments or rent.
- In San Francisco the typical household spends more than 50 percent of income on housing costs.

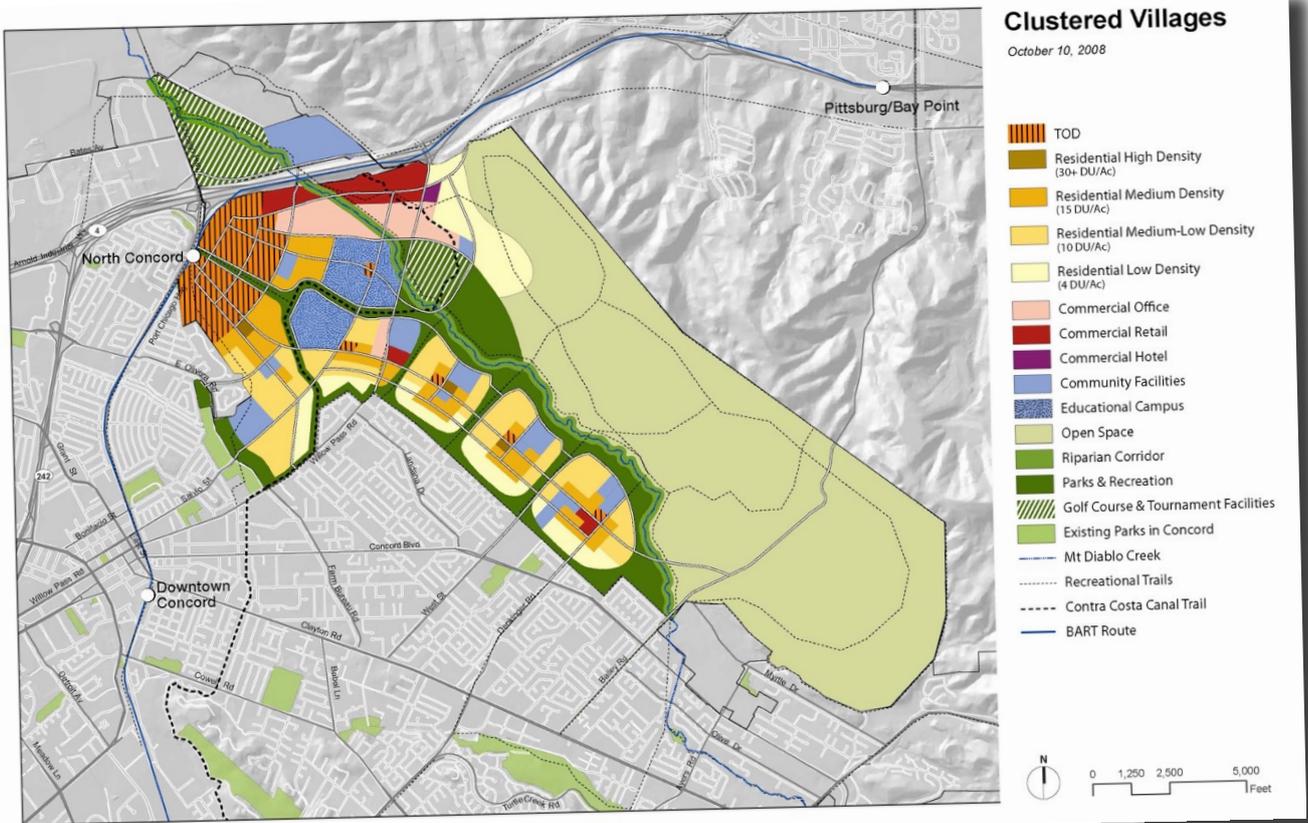


- From 2016 to 2021, an average of 2,900 new homes were started per year in Contra Costa County. Sixty-two percent were single-family detached homes.
- Housing production is expected to average 3,500 homes per year from 2022 to 2027, with a rising proportion of apartment units.
- There are 2 large projects with nearly 20,000 housing units in the Contra Costa County development pipeline that could be built over the next 10 years.



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- Contra Costa has been assigned to permit nearly 50,000 units during the 2023-2031 period by the Regional Housing Needs Assessment program of the California Department of Housing and Community Development. Historically the County permitted approximately 50,000 units from 2005 to 2021. Consequently, the new assignment over the next 9 years is aggressive.
- The Concord Reuse Project is the biggest housing development project in Contra Costa County. The project is slated to deliver over 12,000 residential units with 25% being considered affordable housing. This would fulfill the RHNA guidelines for Concord over the upcoming 2023-2031.
- The most recent developments in the Concord Reuse Project have been the selection of a Master Developer. On March 28th 2022, the Concord Reuse Project held its third community outreach meeting.
- The city of Concord has 228 residential units under construction and 729 units approved in the pipeline.
- The Ranch is a 1,177 residential unit development currently under construction in South Antioch's South Creek Focus Area.
- The Campus Bay Mixed Use Project in the city of Richmond is proposed for up to 4,000 multifamily residential units. The project would also include 50,000 square feet of commercial space and 31 acres of parks and open space. The city approved the project in 2021 but environmental groups claim the project violates environmental quality standards and have sued the city.



Concord Reuse Project and land allocation.

Contra Costa County Economic Forecast

Economic Indicators

2015-2021 History, 2022-2050 Forecast

	Population (people)	House- holds (thousands)	Net Migration (people)	New Homes Permitted (homes)	Registered Vehicles (thousands)	Personal Income (billions)	Taxable Retail Sales (billions)	Total Taxable Sales (billions)	Real Industrial Production (billions)	Real per Capita Income (dollars)	Unemployment Rate (percent)	Real Farm Production (millions)	Inflation Rate (percent)
2015	1,128,317	383.6	10,577	2,538	1,000	\$77.8	\$11.3	\$15.8	\$18.7	\$82,874	5.1	\$154	2.6
2016	1,141,566	387.0	8,462	2,895	1,078	\$82.7	\$11.7	\$16.1	\$12.3	\$84,456	4.5	\$149	3.0
2017	1,149,457	389.7	3,594	1,910	1,073	\$88.4	\$12.3	\$16.8	\$15.2	\$86,931	3.9	\$136	3.2
2018	1,158,017	391.8	4,536	3,127	1,084	\$93.7	\$12.9	\$17.6	\$18.3	\$87,767	3.2	\$118	4.2
2019	1,162,287	394.0	147	2,844	1,116	\$98.4	\$13.1	\$18.1	\$16.2	\$89,044	3.1	\$112	3.2
2020	1,166,669	396.1	620	2,768	1,078	\$106.3	\$12.6	\$17.6	\$18.3	\$94,209	9.1	\$113	1.7
2021	1,163,765	398.4	-5,590	3,908	1,076	\$110.4	\$15.0	\$21.0	\$17.7	\$94,880	6.4	\$106	3.4
2022	1,164,810	400.6	-2,315	3,214	1,077	\$120.2	\$17.2	\$23.9	\$18.2	\$95,963	3.1	\$103	7.6
2023	1,169,768	403.9	1,781	3,657	1,079	\$126.4	\$17.6	\$24.4	\$18.5	\$96,758	3.4	\$99	3.9
2024	1,176,745	406.8	3,941	3,586	1,081	\$131.8	\$17.9	\$24.8	\$18.7	\$97,621	3.7	\$96	2.7
2025	1,183,404	409.3	3,789	3,719	1,084	\$137.1	\$18.2	\$25.2	\$19.1	\$98,300	3.8	\$92	2.8
2026	1,189,122	412.4	2,963	3,712	1,086	\$142.8	\$18.4	\$25.5	\$19.5	\$99,221	3.8	\$88	2.7
2027	1,193,970	415.6	2,229	3,557	1,089	\$148.7	\$18.7	\$25.9	\$20.0	\$100,309	3.9	\$85	2.6
2028	1,198,358	418.4	1,858	3,447	1,092	\$154.7	\$18.9	\$26.3	\$20.4	\$101,277	3.9	\$83	2.6
2029	1,202,722	421.0	1,862	3,330	1,096	\$160.4	\$19.5	\$27.1	\$20.7	\$101,851	3.9	\$80	2.7
2030	1,207,024	423.6	1,873	3,257	1,100	\$166.2	\$20.2	\$28.0	\$21.0	\$102,463	3.9	\$78	2.6
2031	1,211,028	426.2	1,901	3,169	1,105	\$172.0	\$20.7	\$28.8	\$21.3	\$103,095	3.9	\$76	2.5
2032	1,214,715	428.7	1,917	3,131	1,111	\$178.0	\$21.4	\$29.6	\$21.6	\$103,556	3.9	\$74	2.7
2033	1,218,158	431.2	1,915	3,087	1,117	\$184.0	\$21.9	\$30.4	\$21.9	\$104,290	3.9	\$73	2.3
2034	1,221,285	433.6	1,918	2,995	1,122	\$190.3	\$22.5	\$31.2	\$22.2	\$104,929	3.9	\$71	2.5
2035	1,224,132	435.9	1,903	2,914	1,125	\$196.9	\$23.2	\$32.2	\$22.4	\$105,523	3.9	\$70	2.6
2036	1,226,659	438.2	1,891	2,831	1,129	\$203.9	\$24.1	\$33.4	\$22.6	\$105,846	3.9	\$69	3.0
2037	1,228,877	440.4	1,889	2,746	1,132	\$211.1	\$24.9	\$34.5	\$22.8	\$106,113	3.9	\$68	3.1
2038	1,230,724	442.5	1,891	2,634	1,135	\$218.5	\$25.7	\$35.7	\$23.0	\$106,551	3.9	\$67	2.9
2039	1,232,267	444.5	1,888	2,647	1,139	\$226.3	\$26.6	\$36.9	\$23.1	\$106,879	3.9	\$66	3.1
2040	1,233,403	446.5	1,902	2,694	1,143	\$234.2	\$27.4	\$38.0	\$23.3	\$107,299	3.9	\$65	3.0
2041	1,234,214	448.5	1,913	2,689	1,147	\$242.1	\$28.1	\$39.0	\$23.5	\$107,977	3.9	\$65	2.6
2042	1,234,797	450.5	1,946	2,647	1,152	\$249.9	\$28.9	\$40.1	\$23.7	\$108,685	3.9	\$64	2.5
2043	1,235,196	452.4	1,950	2,590	1,155	\$257.9	\$29.7	\$41.2	\$24.0	\$109,441	3.9	\$63	2.4
2044	1,235,429	454.3	1,956	2,535	1,159	\$265.9	\$30.3	\$42.1	\$24.2	\$110,332	3.9	\$63	2.3
2045	1,235,509	456.2	1,970	2,484	1,161	\$274.1	\$31.2	\$43.3	\$24.5	\$111,123	3.9	\$62	2.3
2046	1,235,536	458.0	1,985	2,433	1,163	\$282.5	\$32.0	\$44.5	\$24.7	\$111,809	3.9	\$62	2.4
2047	1,235,519	459.7	2,020	2,342	1,164	\$291.2	\$32.9	\$45.6	\$24.9	\$112,308	3.9	\$61	2.6
2048	1,235,419	461.4	2,016	2,284	1,166	\$300.3	\$33.9	\$47.0	\$25.0	\$112,734	3.9	\$61	2.7
2049	1,235,173	463.0	2,025	2,230	1,167	\$309.3	\$34.8	\$48.4	\$25.2	\$113,384	3.9	\$61	2.4
2050	1,234,787	464.6	2,047	2,184	1,168	\$318.7	\$35.8	\$49.8	\$25.4	\$113,955	3.9	\$60	2.5

Employment Sectors

2015-2021 History, 2022-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	(thousands of jobs)											
2015	350.8	0.7	22.8	15.0	10.6	51.9	26.3	50.9	8.3	64.1	38.3	49.3
2016	364.2	0.8	25.4	14.9	11.2	53.6	27.0	52.1	8.1	67.3	40.5	50.4
2017	370.3	0.8	25.5	15.6	11.5	53.7	27.4	54.3	8.0	69.3	40.7	50.5
2018	373.0	0.7	26.1	15.7	11.6	52.6	27.0	55.3	7.8	70.7	41.3	50.8
2019	375.2	0.8	26.1	16.0	11.5	50.5	27.0	56.6	7.1	72.4	43.0	50.7
2020	345.8	0.7	24.3	15.0	11.9	47.0	25.6	55.9	5.9	69.5	31.7	47.5
2021	356.2	0.7	25.7	13.9	13.0	49.0	24.8	56.5	5.9	73.2	35.3	46.6
2022	370.3	0.7	25.5	14.8	13.5	50.8	24.5	57.6	5.8	75.6	40.7	47.7
2023	376.6	0.7	25.2	14.5	14.4	50.2	24.6	59.0	5.6	77.2	42.7	49.9
2024	380.8	0.6	25.1	14.2	14.8	49.9	24.9	59.7	5.5	78.3	44.5	50.4
2025	382.9	0.6	25.0	14.0	15.3	49.8	25.1	60.1	5.5	79.4	44.7	50.5
2026	385.0	0.5	25.4	13.9	15.6	49.6	25.1	60.4	5.5	80.2	44.9	50.6
2027	386.3	0.5	25.3	13.8	15.9	49.5	25.1	60.6	5.4	81.0	45.0	50.8
2028	387.4	0.4	25.0	13.8	16.1	49.3	25.1	60.9	5.4	81.8	45.2	51.0
2029	388.7	0.4	24.7	13.8	16.3	49.2	25.2	61.1	5.4	82.5	45.4	51.1
2030	390.0	0.4	24.5	13.8	16.4	49.3	25.1	61.3	5.3	83.3	45.7	51.2
2031	391.0	0.3	24.2	13.7	16.5	49.3	25.1	61.4	5.3	84.0	46.0	51.3
2032	391.9	0.3	23.9	13.7	16.7	49.3	25.0	61.5	5.2	84.7	46.2	51.4
2033	392.8	0.3	23.4	13.7	16.8	49.3	25.0	61.7	5.2	85.4	46.5	51.5
2034	393.9	0.3	23.3	13.6	16.9	49.2	25.0	61.8	5.2	86.1	46.8	51.6
2035	394.9	0.2	23.0	13.6	16.9	49.2	24.9	61.9	5.1	86.8	47.0	51.6
2036	395.9	0.2	22.8	13.6	17.0	49.3	24.9	62.0	5.1	87.4	47.3	51.7
2037	396.7	0.2	22.5	13.6	17.1	49.2	24.9	62.1	5.1	88.1	47.6	51.8
2038	397.6	0.2	22.2	13.6	17.1	49.2	24.8	62.2	5.1	88.7	47.9	51.8
2039	398.6	0.2	22.1	13.5	17.2	49.2	24.8	62.4	5.0	89.3	48.1	51.9
2040	399.9	0.2	22.4	13.5	17.2	49.2	24.8	62.5	5.0	89.9	48.4	52.0
2041	401.1	0.1	22.5	13.5	17.3	49.2	24.8	62.6	5.0	90.5	48.7	52.1
2042	402.1	0.1	22.4	13.5	17.3	49.2	24.8	62.7	5.0	91.1	48.9	52.1
2043	403.0	0.1	22.3	13.5	17.4	49.2	24.8	62.8	4.9	91.7	49.2	52.2
2044	404.1	0.1	22.3	13.5	17.4	49.1	24.7	62.8	4.9	92.2	49.4	52.3
2045	405.0	0.1	22.2	13.5	17.4	49.1	24.7	62.9	4.9	92.7	49.7	52.4
2046	405.9	0.1	22.2	13.5	17.4	49.1	24.7	63.0	4.9	93.3	50.0	52.4
2047	406.7	0.1	22.0	13.5	17.5	49.1	24.7	63.1	4.9	93.8	50.2	52.5
2048	407.5	0.1	21.9	13.4	17.5	49.1	24.6	63.2	4.9	94.3	50.5	52.6
2049	408.4	0.1	21.8	13.4	17.5	49.1	24.6	63.3	4.9	94.8	50.7	52.7
2050	409.3	0.1	21.7	13.4	17.6	49.1	24.6	63.3	4.9	95.2	51.0	52.8

Contra Costa County Economic Forecast

Socioeconomic Indicators

